



Serving the People of California

SOLE SHAREHOLDER/CORPORATE OFFICER EXCLUSION STATEMENT
(Section 637.1 California Unemployment Insurance Code)

Please print or type. Prepare an original and one copy. Send the original of this certificate immediately upon completion to the address shown on the second page of this form. Do not wait to file with Quarterly Report as it is effective in the calendar quarter filed. Retain the copy with your payroll records.

Calif. Employment Account No. _____ Social Security No. _____

Federal Employer Identification No. (FEIN) _____

Corporation Name _____

Doing Business As _____

Corporation Mailing Address _____
Street City State ZIP Code

Your Name _____

Business Phone () _____

Eligibility Requirements

In a private corporation, any person who is a corporate officer and sole shareholder, or the only shareholder other than his or her spouse, may file a statement electing to be excluded only from disability insurance coverage for benefits and contributions.

I hereby declare that I am a corporate officer and

CHECK ☐ the sole shareholder or;
ONLY ☐ the only share holder other than my spouse; of the above-named corporation, a private
ONE corporation organized for profit.

Election Statement

☐ I hereby elect to be excluded from any rights to disability insurance benefits based on wages paid to me by this corporation.

IMPORTANT - PLEASE NOTE CAREFULLY

The corporation must report your wages and pay contributions for unemployment insurance unless your corporation is not subject to the Federal Unemployment Tax Act (FUTA). Only certain types of nonprofit and agricultural corporations are not subject to FUTA.

I understand this statement is effective in the calendar quarter filed and remains in effect for not less than two complete calendar years and in all subsequent calendar quarters until withdrawn. Any changes in the ownership of the stock or status of the corporate officer may terminate this exemption. I also understand that this exclusion applies only to Disability Insurance taxes administered by the State of California and has no effect on the administration of Federal Unemployment Insurance taxes.

Your Signature _____ Date _____

FOR DEPARTMENT USE ONLY	
EFF. DATE _____	LTR. SENT _____
EXAMINER _____	DATE _____

SEE REPORTING INSTRUCTIONS ON THE SECOND PAGE

REPORTING INSTRUCTIONS

The sole stockholder wages must be reported on a separate Quarterly Wage and Withholding Report (DE 6). Write "Sole Stockholder" across the top of the DE 6.

Report all other employees on a separate DE 6.

On the Annual Reconciliation Return (DE 7), file a single DE 7 and include all of the corporation's employees, including the sole shareholder.

GENERAL INFORMATION

If the corporation does not have an Employer Account Number, attach a completed DE 1 or DE 1AG Registration Form with your election.

Do not delay in filing this form. It is important to file the form during the calendar quarter in which you want the exemption to take effect. The exemption becomes effective the first day of the calendar quarter in which it is filed. A delay in filing this form may cause your exemption to take effect in the next calendar quarter. Do not file this form with your DE 6 or any other Department form.

The exemption may be terminated after two complete calendar years have passed. The corporate officer/sole stockholder must submit a written withdrawal to the Department for termination.

The exemption may be terminated at any time by a change in stock ownership or status of the corporate officer as described in Section 637.1, California Unemployment Insurance Code.

If you have any questions concerning the exemption or reporting requirements, please contact the Department at the address below.

State of California

**EMPLOYMENT DEVELOPMENT DEPARTMENT
AUDIT SECTION, MIC 94
P.O. Box 826880
Sacramento CA 94280-0001
Phone: (916) 654-9200**